

I·N·F·O·M·A·T

A W E E K L Y R E V I E W

Friday, February 2, 1990

OVERVIEW

■ Economic Growth Resumes in November

Real gross domestic product increased 0.4%, following a 0.3% decline in October and a 0.4% gain in September.

■ Industrial Product Prices Slump

The industrial product price index was down (-0.3%) for the sixth consecutive month in December. The year-over-year change (0.2%) was the lowest since March 1987.

■ Downturn in Raw Materials Prices Maintained

The raw materials price index fell 0.9% on a month-over-month basis in December.

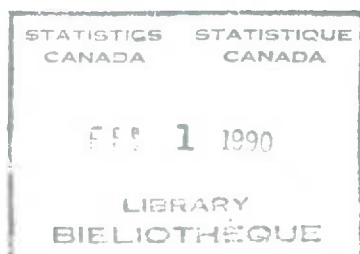
■ Slight Deceleration in Growth of Average Weekly Earnings

In November, average weekly earnings were up 5.7% from the same month a year earlier, a slower pace than recorded in October and September.

■ Building Permits Down Again

The value of building permits edged down 2.7% in October, reflecting decreases in the commercial and institutional sectors.

This issue also contains information on **Unemployment Insurance Statistics**.



Economic Growth Resumes in November

Gross Domestic Product at factor cost, at 1981 prices, increased 0.4% in November, following a 0.3% decline in October and a 0.4% gain in September. Services producing and goods producing industries both advanced 0.4%.

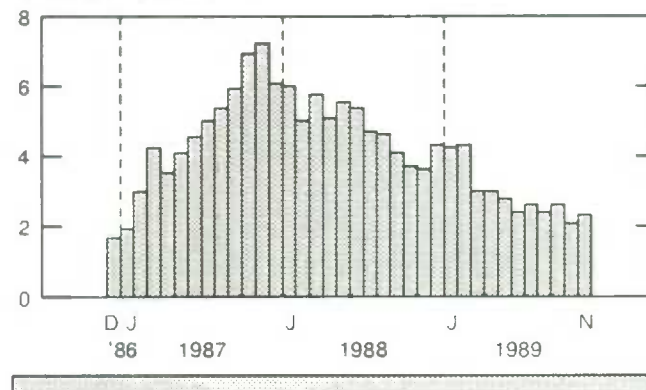
Output in November was 2.3% above November of last year, while the October-November average was 0.3% above the third quarter level.

The November advance in services production was widespread and followed a flattening of output in October, and gains of 0.4% in August and September. The increase was led by finance, insurance and real estate industries, and by retail trade. Smaller increases occurred in most other services industries.

(continued on page 2)

Gross Domestic Product

% change, previous year



Statistics Canada
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Economic Growth Resumes in November

Following a 0.9% decline in October, output of goods producing industries rose 0.4% in November, but still remained below the August level. Almost 70% of the growth in November originated in manufacturing.

Manufacturing advanced 0.6%, led by higher production of transportation equipment and electrical products. Output of metal fabricated products and primary metals also increased moderately in November.

The most substantial gain in manufacturing occurred in the office, store and business machines industry, where output jumped 3.5%, coinciding with a large increase in exports of office machines and equipment.

Notable output gains were also recorded by manufacturers of motor vehicle parts and accessories (+2.7%) and motor vehicles (+4.1%). Passenger automobile production was up sharply in the month, while exports of both passenger cars and commercial vehicles rose. Unit sales of North American produced automobiles rose 3.0% in November, while sales of offshore-built units declined 2.7%.

Higher production of natural gas and crude petroleum, and increased oil and gas exploration led the mining, quarrying and oil well industry to a 1.0% gain. Exports of both crude petroleum and natural gas also increased.

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001) or contact *Industry Measures and Analysis Division* at (613) 951-3673.

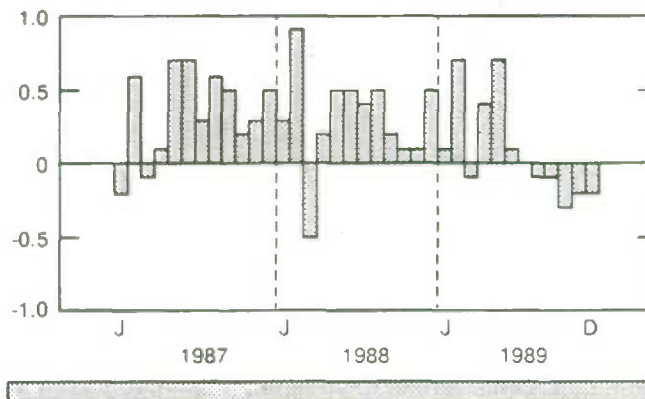
Industrial Product Prices Still Dropping

- The industrial product price index was down 0.3% in December, the sixth consecutive monthly decline.
- The year-over-year change was only 0.2%, the lowest increase since March 1987.
- Primary metal product prices fell (-3.0%) in December as they have almost every month in 1989.
- Chemical product prices continue to drop (-0.2%), registering a decline for the ninth month in a row.

For further information, order *Industry Price Indexes* (catalogue number 62-011) or contact *Prices Division* at (613) 951-9607.

Industrial Product Price Index

% change, previous month



Downturn in Raw Material Prices Maintained

- The raw materials price index fell 0.9% on a month-over-month basis in December, maintaining the declining trend evident since June.
- The mineral fuels component was unchanged following two consecutive increases. Mineral fuels, principally crude petroleum, had posted substantial gains in the first five months of the year.

Raw Materials Price Index

	Aug.	Sept	Oct.	Nov.	Dec.
	% change, previous month				
Total	-1.2	-1.6	0.6	-0.2	-0.9
Animal products	1.5	-2.6	1.7	-0.4	0.3
Non-ferrous metals	3.2	0.7	-1.9	-5.3	-5.1
Mineral fuels	-4.1	-1.8	1.9	1.9	0.0

(continued on page 3)

... Downturn in Raw Material Prices Maintained

- Animal and animal product price rose, continuing the fluctuating but rising trend evident throughout 1989.
- The vegetable product prices decreased 2.2%, reinforcing the downturn evident since June.

- Non-ferrous metal prices decreased 5.1%, continuing the pattern of price declines exhibited since the start of the year.

For further information, order *Industry Prices Indexes* (catalogue number 62-011) or contact *Prices Division* at (613) 951-9607.

Slight Deceleration in Growth of Average Weekly Earnings

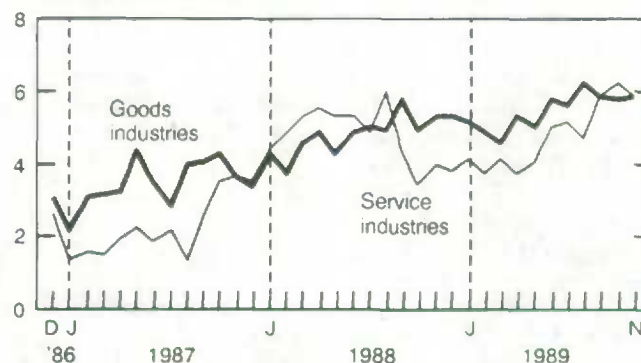
In November, average weekly earnings were up 5.7% over the same month a year earlier. Although higher than the average increase of 4.9% for the first ten months of 1989, the growth rate has slowed in each of the last two months. The moderation in November originated in the service industries. Generally, the growth of earnings in the service industries has been accelerating since April.

In the goods-producing industries, wages and salaries were up 5.8% over November 1988. This advance was in line with those posted in the two preceding months. Slower growth in mining and forestry has offset higher year-over-year increases in manufacturing and construction.

For further information, order *Employment, Earnings and Hours* (catalogue number 72-002) or contact *Labour Division* at (613) 951-4090.

Average Weekly Earnings

% change, previous year



Downturn in Building Permits Continues

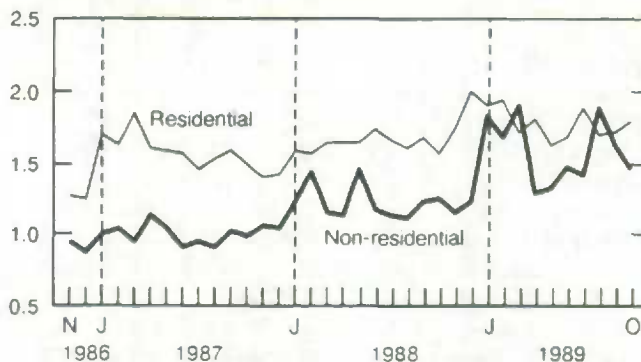
The value of building permits issued by municipalities edged down 2.7% on a month-over-month basis in October. This was the second consecutive decrease and was consistent with the downturn in the value of building permits noted in the first six months of the year.

Following exceptional growth in July and August, the value of non-residential permits decreased for the second consecutive month (-10.0%), returning to the levels posted earlier in the year. The institutional and commercial sectors both contributed to the decline in October, while the industrial sector registered a slight gain.

Residential permits, on the other hand, increased 4.2% over September levels. The rise was entirely due to the multi-family sector. The single-family dwelling sector was down 1.1%.

Building Permits

Billions of dollars, seasonally adjusted



For further information, order *Building Permits* (catalogue number 64-001) or contact *Investment and Capital Stock Division* at (613) 951-2583.

PUBLICATIONS RELEASED FROM JANUARY 26 TO FEBRUARY 1

AGRICULTURE

Cereals and Oilseeds Review, October 1989. Catalogue number 22-007 (Canada: \$13.10/\$131; Other Countries: \$15.70/\$157).

Farm Product Price Index, November 1989. Catalogue number 62-003 (Canada: 6.80/\$68; Other Countries: \$8.20/\$82).

The Dairy Review, November 1989. Catalogue number 23-001 (Canada: \$11.60/\$116; Other Countries: \$13.90/\$139).

CENSUS

Focus on Canada - Ethnic Diversity in Canada, Census 1986. Catalogue number 98-132 (Canada: \$10; Other Countries: \$11).

HOUSEHOLD SURVEYS

Family Incomes, 1988. Catalogue number 13-208 (Canada: \$18; Other Countries: \$22).

INDUSTRIAL ORGANIZATION AND FINANCE

Corporation Financial Statistics, 1987. Catalogue number 61-207 (Canada: \$53; Other Countries: \$64).

Corporation Taxation Statistics, 1987. Catalogue number 61-208 (Canada: \$63; Other Countries: \$76).

INDUSTRY

Campus Bookstores, Academic Year 1988-89. Catalogue number 63-219 (Canada: \$21; Other Countries: \$25).

Corrugated Boxes and Wrappers, December 1989. Catalogue number 36-004 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Department Store Monthly Sales, by Province and Metropolitan Area, November 1989. Catalogue number 63-004 (Canada: \$2.60/\$26; Other Countries: \$3.10/\$31).

Factory Shipments of High Pressure Decorative Laminate Sheet, Quarter Ended December 1989. Catalogue number 47-005 (Canada: \$4.50/\$18; Other Countries: \$5.50/\$22).

Mineral Wool Including Fibrous Glass Insulation, December 1989. Catalogue number 44-004 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production, Shipments and Stocks on Hand of Sawmills East of the Rockies (Excluding Newfoundland and Prince Edward Island), November 1989. Catalogue number 35-002 (Canada: \$9.50/95; Other Countries: \$11.40/\$114).

Production, Shipments and Stocks on Hand of Sawmills in British Columbia, November 1989. Catalogue number 35-003 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

Quarterly Report on Energy Supply-demand in Canada, 1989-II. Catalogue number 57-003 (Canada: \$30.25/\$121; Other Countries: \$36.25/\$145).

The Sugar Situation, December 1989. Catalogue number 32-013 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

INTERNATIONAL AND FINANCIAL ECONOMICS

Security Transactions with Non-residents, November 1989. Catalogue number 67-002 (Canada: \$15/\$150; Other Countries: \$18/\$180).

LABOUR

Employment, Earnings and Hours, October 1989. Catalogue number 72-002 (Canada: \$38.50/\$385; Other Countries: \$46.20/\$462).

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Building Permits, October 1989. Catalogue number 64-001 (Canada: \$21/\$210; Other Countries: \$25.20/\$252).

Federal Scientific Activities, 1989-90. Catalogue number 88-204 (Canada: \$42; Other Countries: \$50).

SERVICES

Telephone Statistics, November 1989. Catalogue number 56-002 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1981)	Nov. *	414	0.4%	2.3%
Composite Leading Indicator (1981 = 100)	Oct.	145.1	0.3%	2.6%
Profits of Industrial Corporations (\$ billion)	3rd Q	7.4	-11.1%	-21.4%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Nov.	14.6	0.8%	4.2%
New Motor Vehicle Sales ('000 units)	Nov.	121	-2.2%	-4.9%
Housing Starts ('000, annual rates)	Nov.	210	-5.0%	-7.5%
LABOUR				
Employment (millions)	Dec.	12.5	-0.2%	1.6%
Unemployment Rate (%)	Dec.	7.7	0.1	0.1
Participation Rate (%)	Dec.	67.1	-0.1	0.2
Labour Income (\$ billion)	Oct.	29.8	0.9%	8.3%
Average Weekly Earnings (\$)	Nov. *	496.58	-0.1%	5.7%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Nov.	11.5	0.5%	-2.2%
Merchandise Imports (\$ billion)	Nov.	10.8	-8.3%	-0.8%
Merchandise Trade Balance (\$ billion)	Nov.	0.7	1.0	-0.1
MANUFACTURING				
Shipments (\$ billion)	Nov.	24.9	0.5%	3.0%
New Orders (\$ billion)	Nov.	25.0	-2.2%	0.7%
Unfilled Orders (\$ billion)	Nov.	31.3	0.5%	0.2%
Inventory/ Shipments Ratio	Nov.	1.54	-0.02	-0.03
Capacity Utilization (%)	3rd Q	81.7	-0.7	-2.0
PRICES				
Consumer Price Index (1981 = 100)	Dec.	153.6	-0.1%	5.1%
Industrial Product Price Index (1981 = 100)	Dec. *	130.2	-0.3%	0.2%
Raw Materials Price Index (1981 = 100)	Dec. *	99.1	-0.9%	4.9%
New Housing Price Index (1981 = 100)	Nov.	152.2	0.6%	10.3%

Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.

** New this week.*

Unemployment Insurance Beneficiaries Rise For the Second Consecutive Month

In November, the seasonally adjusted number of beneficiaries receiving regular unemployment insurance benefits rose 1.2% over the level recorded in October. Advances in the last two months have interrupted the downturn observed since April.

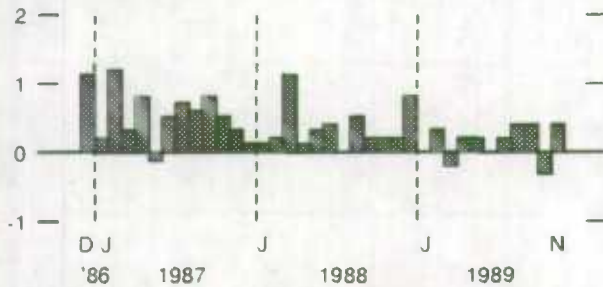
Year-to-date figures show that benefits payments were up 6.5% over the same period in 1988. Higher average weekly benefits (6.5%) were the primary contributor to this advance as the average number of beneficiaries has only risen slightly in 1989, while the weeks of benefits paid were unchanged.

For further information, order Unemployment Insurance Statistics (catalogue number 73-001) or contact Labour Division at (613) 951-4045.

CURRENT TRENDS*

Gross Domestic Product

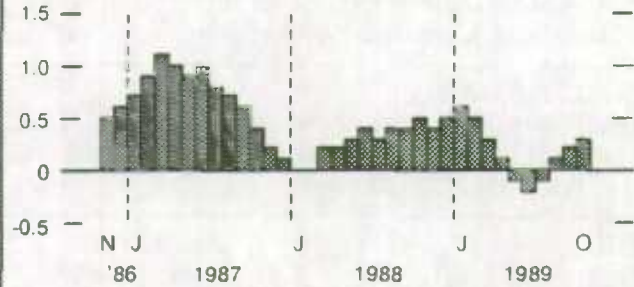
% change, previous month



Real gross domestic product increased 0.4% in November, following a 0.3% decline in October and a 0.4% gain in September.

Composite Leading Indicator

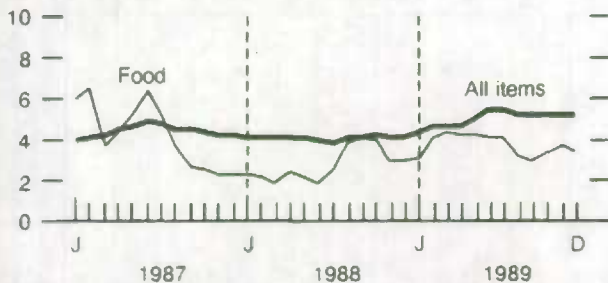
% change, previous month



The composite leading indicator in October indicated continued slow growth in the short-term.

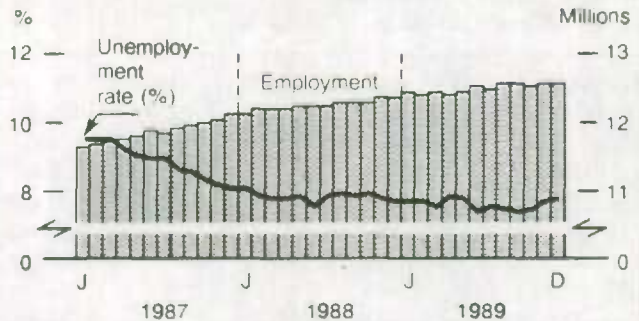
Consumer Price Index

% change, previous year



The year-over-year increase in the CPI was 5.1% in December, down slightly from the advance registered in November.

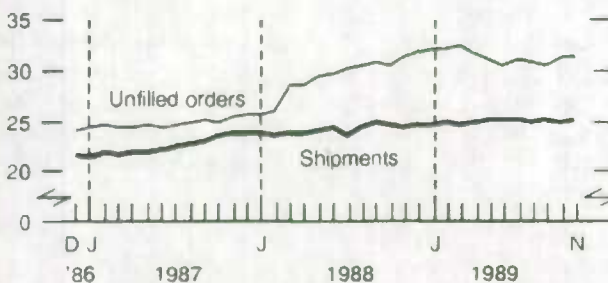
Unemployment Rate and Employment



The unemployment rate posted a slight increase for the third consecutive month in December.

Manufacturing

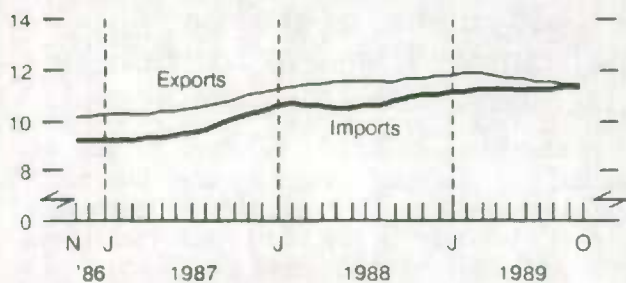
Billions of dollars



Following a decline in October, manufacturing shipments were up 0.5% in November, the third increase in four months.

Merchandise Trade

Billions of dollars, short-term trend



As a result of a marked drop in imports and a slight increase in exports, the trade balance showed a surplus of \$679 million in November.

* All series are seasonally adjusted except the consumer price index.

Regional Reference Centres

Statistics Canada's regional reference centres provide a full range of the bureau's products and services. Each reference centre is equipped with a library and a sales counter where users can consult or purchase our publications, microcomputer diskettes, microfiche, maps and more.

Each centre has facilities to retrieve information from Statistics Canada's computerized data retrieval systems CANSIM and Telichart. A telephone inquiry service is also available with toll free numbers for regional clients outside local calling areas. Many other valuable services – from seminars to consultations – are offered. Call or write your regional reference centre for information.

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KEY RELEASE CALENDAR: FEBRUARY 1990*

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26 Security Transactions, December	27 Employment, Earnings and Hours, December	28 Industrial Product Price Index, January Raw Materials Price Index, January Unemployment Insurance, December		

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.

I·N·F·O·M·A·T**A Weekly Review**

Published by the Communications Division
Statistics Canada.

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R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Catalogue: 11-002E. Price: Canada, \$2.10/\$105; other countries, \$2.50/\$126. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 within Canada or 613-951-9277 from all other countries.

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